

with headquarters in London and branches in the many British dependencies in the West Indies and the Caribbean Sea. The bank was created by a Royal Charter in 1836, continued by an Imperial Act of 1856. The paid-up capital is ^600,000. The notes of the bank circulate in competition with many different kinds of gold and of token currency, British, American, Mexican, Spanish, and South American, according to the trade relations of the islands where the branches of the bank are established. The need for currency, even in primitive communities, was illustrated by a curious experiment which was carried out in 1844 by the Governor of the Falkland Islands, off the coast of Patagonia, which at once supplied the absence of a circulating medium and afforded a forerunner of the system of maintaining paper by foreign exchange. A temporary paper currency was issued, the notes being described by the governor as " of the most primitive character, written by hand at some trouble ; they are signed by myself, * on the part of the Colonial Government/ and made payable to bearer." When a trader arrived he was informed that upon leaving the colony any of these notes in his possession would be exchanged for a Treasury bill on London. Within a short time these notes were redeemed at par.¹

In Barbadoes, after Spanish and Mexican dollars had been demonetized in 1879, the coinage consisted of British tokens and the notes of the bank, but accounts began to be kept in dollars and cents.³ The Virgin Islands are practically dominated by the Danish currency of St. Thomas, but the money of account is English.⁸ St. Lucia as early as 1841 sought to put a limit to the legal-tender quality of token silver.⁴ The prudent management of the Colonial Bank requires minute attention, to these varying local conditions, not only of currency, but of trade in many communities, and the reports abound with references to the rainfall and

¹ Chalmers, A History of Currency in the British Colonies, 148. *Ibid., 58-59-

³ Ibid., 81.

⁴ Ibid., 92.